

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

Illinois Commerce Commission)	
On Its Own Motion)	
)	20-NOI-02
Notice of Inquiry Regarding)	
Electric and Natural Gas Service)	
Safety and Reliability)	

**NICOR GAS COMPANY’S REPLY
COMMENTS TO NOTICE OF INQUIRY**

Northern Illinois Gas Company d/b/a Nicor Gas Company (“Nicor Gas” or the “Company”), through its undersigned attorneys, respectfully submits to the Illinois Commerce Commission (the “Commission” or “ICC”) these Reply Comments (“Reply Comments”), which respond to certain statements set forth in the Illinois Attorney General’s (“AG”) Initial Comments to the ICC’s Notice of Inquiry (“NOI”) Regarding Electricity and Natural Gas Service Safety and Reliability.

I. REPLY TO THE AG

Nicor Gas supports transparency in the regulatory process so that customers and the communities we serve have the information necessary to assess safety concerns. To that end, the Company works closely and regularly with members of the Commission’s Pipeline Safety Staff to meet applicable Federal and State safety regulations, and address questions as they arise. Indeed, Nicor Gas resolved the issue the AG references in its Initial Comments (AG Init. Comm., at 5-6) in a timely manner, consistent with the Company’s commitment to do so. See Attachment 1, which reflects the Company’s notification to the Pipeline Safety Staff indicating that the identified matters were resolved.

In its Initial Comments, the AG also makes a passing comment questioning whether the Company “is aware of the Julie One-Call system.” AG Init. Comm., at 5. That comment is baseless. A representative from Nicor Gas currently is a Vice President for JULIE (<https://www.illinois1call.com/board-of-directors/>), and a Company employee has been an active participant in JULIE operations for years. Moreover, in a recent ICC audit, ICC Pipeline Safety Staff indicated:

On 7/17/2020 and 7/20/2020, a representative from the Illinois Commerce Commission (“Staff”) conducted a review of Northern Illinois Gas Company’s (“Nicor”) Damage Prevention Plan, procedures, and documents. It was determined *Nicor has an effective damage prevention* program and is taking the necessary steps to improve damage prevention statistics.

Exit Meeting Documentation Form, 9/28/2020, (emphasis added), attached hereto as Attachment 2. The ICC Pipeline Safety Staff also recently issued two reports which concludes that Nicor

Gas: 1) maintains a comprehensive damage protection program; 2) participates in the Julie One-Call system; and 3) is taking steps to improve damage prevention statistics. See Attachment 3. In sum, the facts make clear that Nicor Gas is committed to pipeline safety, and has an extensive history of doing so.

II. CONCLUSION

Northern Illinois Gas Company d/b/a Nicor Gas Company appreciates the opportunity to provide these Reply Comments in response to the Commission's Notice of Inquiry and looks forward to continued dialogue regarding the issues addressed herein.

Dated: October 14, 2020

Respectfully submitted,

NORTHERN ILLINOIS GAS COMPANY
D/B/A NICOR GAS COMPANY

By: /s/ John E. Rooney
One of its attorneys

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LETTER SENT VIA EMAIL <Bill.Riley@illinois.gov>

March 7, 2019

Mr. Bill Riley
Assistant Director in Charge
Pipeline Safety & One-Call Enforcement
Safety & Reliability Division
Illinois Commerce Commission
527 East Capitol Avenue
Springfield, IL 62701

Re: Response to Notice of Probable Violation (NOPV #2018-V001-00094)

Dear Mr. Riley:

This letter is in response to the above-referenced NOPVs issued to Nicor Gas. Your NOPV letter, dated February 5, 2019 (Inspection # 2018-P-00326), indicated that on October 2, 2018, representatives of the Illinois Commerce Commission Pipeline Safety Program conducted a field audit and observed the following probable violations with reference to Part 192 of the Federal Regulations for the Transportation of Natural Gas.

CFR § 192.355 titled: "**Customer meters and regulators: Protection from damage**" states in paragraph (b) (2), "Service regulator vents and relief vents. Service regulator vents and relief vents must terminate outdoors, and the outdoor terminal must be located at a place where gas from the vent can escape freely into the atmosphere and away from any opening into the building; and"

NOPV #2018-V001 00094

The relief prior to the second cut regulator located on the farm tap at 15001 Rt. 96 in Atlas, was buried where the gas would not escape freely into the atmosphere.

Nicor must take actions to either raise the farm tap or excavate the soil around the farm tap in a manner that will not allow the relief to become buried in the future.

Re: Response to Notice of Probable Violation (NOPV #'s 2018-V001-00094)

March 7, 2019

Response:

On Wednesday, October 3, 2018, the soil around the relief at the property line regulator was excavated to allow the relief to vent freely into the atmosphere. On October 19, 2018, the property line regulator set was raised to prevent the relief from becoming buried in the future.

If you have any questions or need additional information, I can be reached by phone at (630) 388-2316 or by email at lquezad@southernco.com.

Sincerely,



Leticia Quezada

cc: Melvin D. Williams





Leticia Quezada
Director, Compliance and
Quality Assurance

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LETTER SENT VIA EMAIL <Bill.Riley@illinois.gov>

March 7, 2019

Mr. Bill Riley
Assistant Director in Charge
Pipeline Safety & One-Call Enforcement
Safety & Reliability Division
Illinois Commerce Commission
527 East Capitol Avenue
Springfield, IL 62701

Re: Response to Notice of Probable Violation (NOPV #'s 2018-V001-00095 and 2018-V002-00095)

Dear Mr. Riley:

This letter is in response to the above-referenced NOPVs issued to Nicor Gas. Your NOPV letter, dated February 5, 2019 (Inspection # 2018-P-00326), indicated that on October 2, 2018, representatives of the Illinois Commerce Commission Pipeline Safety Program conducted a field audit and observed the following probable violations with reference to Part 192 of the Federal Regulations for the Transportation of Natural Gas.

CFR § 192.707 titled: "**Line markers for mains and transmission lines**" states in paragraph (d) (2), "Marker warning. The following must be written legibly on a background of sharply contrasting color on each line marker: The name of the operator and the telephone number (including area code) where the operator can be reached at all times."

NOPV #2018-V001 00094

The pipeline marker located at the fire valve for the Meyer regulator station (9688) did not contain the operator phone number. The only phone number listed was for contacting JULIE.

Response:

The location referenced above does not have a pipeline marker. We believe the location in question is Facility #4629959 at Hwy 136 and West St. On October 3, 2018, a sticker with the correct phone number was affixed to the pipeline marker at this location.

Re: Response to Notice of Probable Violation (NOPV #'s 2018-V001-00095 and 2018-V002-00095)

March 7, 2019

NOPV #20187-V002 00095

The pipeline markers on N. 200th Avenue near Rt. 96 (south of Ursa), next to rectifier 468, did not contain the operator's phone number. The pipeline markers only included the phone number for JULIE.

Response:

On October 3, 2018, a sticker with the correct phone number was affixed to the pipeline marker at the above location.

The Nicor Gas service territory includes over thirty-two thousand miles of distribution main with over two million connected services. Historically, Nicor did not retain records on the location of the pipeline markers installed. Although efforts have been previously made to identify locations of legacy pipeline markers during routine operations and maintenance work, there are still an undetermined number of such pipeline markers in the field that only contain the JULIE number.

To quickly identify and remediate all the remaining legacy pipeline markers, in November of 2018, Nicor contracted with two vendors to conduct a walking survey of the entire service territory. Some Company personnel were also selected to participate in this effort. The survey and remediation are currently underway and are expected to be completed by the end of July of this year. In addition, we are also capturing GPS coordinates of the pipeline marker locations to assist in future maintenance.

If you have any questions or need additional information, I can be reached by phone at (630) 388-2316 or by email at lquezad@southernco.com.

Sincerely,



Leticia Quezada

cc: Melvin D. Williams



Illinois Commerce Commission
Pipeline Safety
Exit Meeting Documentation Form

Operator:	Northern Illinois Gas Company
Inspection Unit(s):	G.O.
Date of Meeting:	09/28/2020
Pipeline Safety Analyst:	Steven Warner
Exit Meeting Contact:	Leticia Quezada

Exit Statement

On 7/17/2020 and 7/20/2020, a representative from the Illinois Commerce Commission ("Staff") conducted a review of Northern Illinois Gas Company's ("Nicor") Damage Prevention Plan, procedures, and documents. It was determined Nicor has an effective damage prevention program and is taking the necessary steps to improve damage prevention statistics.

INSPECTION FINDINGS

Damage Prevention Activities

Issues(s) Found:

[NO ISSUES FOUND]

Notice Of Amendment(s) Found:

[NO NOAS FOUND]

Notice Of Violation(s) Found:

[NO NOPVS FOUND]

PAST INSPECTION FINDINGS

Issue(s) Corrected:

[NO ISSUES CORRECTED]


Notice Of Amendment(s) Corrected:

[NO NOAS CORRECTED]

Notice of Violations(s) Corrected:

[NO NOPVS CORRECTED]

Pipeline Safety Analyst Signature:



Operator Representative Signature:

Illinois Commerce Commission
Pipeline Safety

Pipeline Safety Report

Inspection #: 2020-P-00361

Operator: Northern Illinois Gas Company	Operator ID#: 13710
Exit Meeting Contact: Leticia Quezada	Total Man Days: 2
Pipeline Safety Representative(s): Steven Warrner	
Company Representative to Receive Report: Leticia Quezada	<u>Emailed Date:</u>
Company Representative's Email Address: lquezad@southernco.com	10/13/2020

Inspection Summary

Inspection Type	Location	ICC Analyst	Inspection Unit(s)	Man Day(s)	Inspection Date(s)	Contact(s)
Damage Prevention Activities	ICC Office	Steven Warrner	G.O.	2	7/17/2020, 7/20/2020	Leticia Quezada

Statement of Activities

On July 17 and 20, 2020, a representative from the Illinois Commerce Commission ("Staff") conducted a Damage Prevention review of Northern Illinois Gas Company's ("Nicor") General Office ("GO"), to determine compliance with applicable IL Adm. Codes and the Code of Federal Regulations adopted via IL Adm. Part 590. This audit is a supplemental review of Nicor's Damage Prevention procedures and records to ensure the operator is taking additional steps to improve damage prevention statistics.

Exit Statement

Staff conducted a review of Northern Illinois Gas Company's ("Nicor") Damage Prevention Plan, procedures, and documents. It was determined Nicor has an effective damage prevention program and is taking the necessary steps to improve damage prevention statistics.

INSPECTION FINDINGS

Damage Prevention Activities

Issues(s) Found:

[NO ISSUES FOUND]

Notice Of Amendment(s) Found:

[NO NOAS FOUND]

Notice Of Violation(s) Found:

[NO NOPVS FOUND]

PAST INSPECTION FINDINGS

Issue(s) Corrected:

[NO ISSUES CORRECTED]

Notice Of Amendment(s) Corrected:

[NO NOAS CORRECTED]

Notice of Violations(s) Corrected:

[NO NOPVS CORRECTED]

**Job Aid – PHMSA Suggested Questions
 Damage Prevention Program Inspection Report**

I. GENERAL INFORMATION			
Operator Evaluated	Northern Illinois Gas Company		
Operator ID	13710		
Inspection Unit	General Office		
Unit Description			
Contact Person / Title (person interviewed)	Leticia Quezada Director - Compliance and Quality Assurance	Email: lquezad@southernco.com	
Responsible Party/Title	Leticia Quezada Director - Compliance and Quality Assurance	Email: lquezad@southernco.com	
Mailing Address	1844 Ferry Rd Naperville, IL 60563		
Inspection Date	7/17/2020, 7/20/2020	Last Inspection Date	
Location of Inspection	ICC Office		
Inspector Name	Steve Warner		

<p>Inspection Summary/Findings:</p> <p>Northern Illinois Gas Company (Nicor) maintains a comprehensive damage prevention program.</p> <p>Nicor participates in the JULIE One-Call system.</p> <p>Staff reviewed Nicor's Damage Prevention Program, the requested documentation, and their response to the questions on this form. The operator appears to be taking appropriate steps to improve damage prevention statistics.</p> <p align="right"> </p>
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**Job Aid – PHMSA Suggested Questions
 Damage Prevention Program Inspection Report**

Annual Reports (§191.11, §191.13)	Enter Value	S	U	NA	Yes	No
1. Has the operator accurately reported the number of damages and locate requests (tickets) received on the PHMSA annual reports?					X	
2. Number of Locate Requests	999379					
3. Number of Excavation Damages	2106					
4. Reason for excavation damages: <ul style="list-style-type: none"> Number of One-Call Notification Practices Not Sufficient <i>Definition - Damages resulting from no notification made to the One-Call Center; or notification to one-call center made, but not sufficient; or wrong information provided to One Call Center.</i> 	586					
<ul style="list-style-type: none"> Number of Locating Practices Not Sufficient <ul style="list-style-type: none"> <i>Definition - Damages resulting from facility could not be found or located; or facility marking or location not sufficient; or facility was not located or marked; or incorrect facility records/maps.</i> 	527					
<ul style="list-style-type: none"> Number of Excavation Practices Not Sufficient <ul style="list-style-type: none"> <i>Definition - Damages resulting from failure to maintain marks; or failure to support exposed facilities; or failure to use hand tools where required; or failure to test-hole (pot-hole); or improper backfilling practices; or failure to maintain clearance; or other insufficient excavation practices.</i> 	963					
<ul style="list-style-type: none"> Number of Other <ul style="list-style-type: none"> <i>Definition - Damages resulting from One-Call Center error; or abandoned facility; or deteriorated facility; or previous damage or data not collected; or other</i> 1. <u>Be sure that operator has not placed damages here that belong in the "locating practices not sufficient" category</u> 	30					

**Job Aid – PHMSA Suggested Questions
 Damage Prevention Program Inspection Report**

Damage Prevention Program Procedures (§192.605, §192.614 and §192.617)	Enter Value	S	U	NA	Yes	No
5. When excavation damage occurs near buildings, do procedures [emergency of damage prevention] adequately address investigating the possibility of multiple leaks and underground migration of gas? §192.605 These procedures are in Nicor's O&M Appendix B, SPO 40 Investigating Damaged Gas Facilities					X	
6. Did the operator establish sufficient procedures for analyzing [excavation damage] accidents and failures for the purpose of determining the causes of the [excavation damage] failure and minimizing the possibility of recurrence? §192.617 This is in Nicor Damage Prevention O&M, Section 6.3 Tracking Underground Damages <ul style="list-style-type: none"> Do records support that the operator sufficiently addressed the causes of accidents and failures due to excavation damage to minimize the possibility of recurrence as required by §192.617? <p>Nicor's response: Nicor Gas uses the Damage Billing Form to document the damaging party details, facility damage details, repair information, determined cause of damage and recommended company corrective action taken to reduce future damages. In the two examples provided, the corrective action was to provide damage prevention education to the excavators. See Attachment Q6.1_Sample1 and Attachment Q6.2_Sample2 for the Damage Billing Form and the corresponding record of the meeting held with the excavator to discuss how to safely dig around gas facilities.</p> <p>Staff's Comment: Staff reviewed attachments Q6.1 and Q6.2. The Damage Billing Form sufficiently addresses the cause of damage, the repairs made, and the corrective action to minimize recurrence.</p>					X	
7. Are mapping errors corrected timely and in accordance with the operator's procedures? §192.605 The procedures for correcting mapping errors are in Nicor's DIMP 5.8. <p>Nicor's response: Yes, identified mapping errors are corrected in a timely manner. See Attachment Q7_Mapping Correction Example showing the GIS correction tracker and a before and after screen snip of the affected map.</p>					X	

**Job Aid – PHMSA Suggested Questions
 Damage Prevention Program Inspection Report**

<p>Staff's Comment: Staff reviewed attachment Q7 which shows a schematic submitted by an employee for mapping correction and an updated map showing the correction request.</p>						
<p>8. Does the operator respond to locates within the required time frame (§192.605)? Have there been any time exceedances for:</p> <p>Nicor's response: Beginning in 2018, Nicor has worked to improve the transparency of locate tickets that are designated to be project work, or work that is performed on an ongoing basis. In partnership with locate vendor USIC, new electronic documentation forms were rolled out to improve the ticket documentation progress. On-time performance has improved in each year since the enhanced transparency measures were put in place and USIC has also improved their staffing model accordingly to handle peak volumetric spikes in locating demand. In addition, Nicor is in the process of onboarding locating technicians in-house to continue to improve overall performance within the service territory, which will also benefit on-time performance. Nicor is also participating in a pilot program for a Large Project ticket type in collaboration with the one-call JULIE - this ticket type provides a framework for excavators and locators to plan accordingly for projects that span large areas where it would be impractical to complete locates within 48hrs. Nicor has been an advocate for an enhanced Positive Response system, which is a JULIE maintained and facilitated communication log to document project progress by the utilities and concisely measure the status of project work in Illinois to assist the excavators.</p> <ul style="list-style-type: none"> Routine excavation locate request? Nicor's response: See Attachment Q8_On Time Performance. Staff's comment: Attachment Q8 included 2019 data for late normal and emergency locate responses. 30% time exceedance for normal tickets. 18% time exceedance for emergency locates. 					X	
<ul style="list-style-type: none"> Emergency locate requests? Nicor's response: See Attachment Q8_On Time Performance. Staff's comment: Attachment Q8 included 2019 data for late normal and emergency locate responses. 18% time exceedance for emergency locates. 					X	
<ul style="list-style-type: none"> Appointment or design locate request? Nicor's response: See Attachment Q8_On Time Performance. 					X	

**Job Aid – PHMSA Suggested Questions
 Damage Prevention Program Inspection Report**

Staff's comment: Nicor provided an example design ticket for review.						
<ul style="list-style-type: none"> Are appropriate additional steps being taken to protect high consequence areas and high profile underground facilities? (I.e., Standby's, Field Meets) Staff's comment: This is in the Nicor Damage Prevention O&M, Section 5.4 Watch & Protect Program and Nicor's IMP.					X	

Damage Prevention Program Procedures (§192.605, §192.614 and §192.617) continued	Enter Value	S	U	NA	Yes	No
<p>9. Does the operator's procedure sufficiently identify, and do records support, what to do if the operator cannot accurately mark the pipeline? §192.605?</p> <p>Staff's comment: This procedure is in Nicor's O&M, Appendix D, Damage Prevention, Section 4.4. Difficult to Locate Facilities.</p> <p>Nicor's response: Nicor has established a process for locators to follow whenever a Nicor facility is found difficult to locate (DTL). See Attachment Q9_DTL Process and Completed Ticket Example for an explanation of the process and a sample ticket completed for a DTL facility.</p> <p>Staff's comment: Staff reviewed attachment Q9.</p>					X	
<p>10. Does the operator provide for a follow-up inspection of the pipeline where there is reason to believe the pipeline could be damaged by excavation activities §192.614?</p> <p>Staff's comment: The procedure for follow-up inspection is in the Nicor Damage Prevention O&M, Section 6. Damage Prevention Team. Have repeat offenders been identified?</p> <p>Nicor's response: Yes, See Attachment Q10 for a list of 2019 repeat offenders.</p> <ul style="list-style-type: none"> What has been done to reduce the number of excavation damages involving repeat offenders? <p>Staff's comment: This information is in the Nicor Damage Prevention O&M, Section 7.3 Excavation Safety. "Nicor Gas tracks all damages and communicate with top hitters in an effort to change behavior."</p> <ul style="list-style-type: none"> Is the inspection done as frequently as necessary during and after the activities to verify pipeline integrity? 605 <p>Staff's comment: This information is in Nicor's O&M Appendix B, SPO 14.</p> <ul style="list-style-type: none"> In the case of blasting, does the inspection include leakage surveys? 					X	

<p>Staff's comment: This information is in the Nicor Damage Prevention O&M, Section 5.2 Blasting Activities and Nicor's O&M, Appendix B, Standard Practice Operating – 22 Blasting Near Gas Pipelines</p>						
<p>11. Has the operator evaluated which of the following best describes the reason for the damages; i.e., excavator not following written procedures, failure to maintain marks, failure to support exposed facilities, failure to use hand tools were required, failure to test-hole (pot hole), improper backfilling practices, failure to maintain clearance or insufficient excavation practices.</p> <ul style="list-style-type: none"> Is the operator appropriately focusing damage prevention education and training to address the causes of excavation damages? <p>Staff's comment: This information is in the Nicor Damage Prevention O&M, Section 7.3</p>					X	
<p>12. Does the operator have directional drilling/boring procedures which include taking actions necessary to protect their facilities from the dangers posed by drilling and other trenchless technologies?</p> <p>Staff's comment: This information is in the Nicor Damage Prevention O&M, Section 5.4 Watch & Protect Program</p>					X	
<p>13. Has the operator collected data and evaluated trends on the number of pipeline damages per 1,000 locate requests?</p> <p>Staff's comment: This process is described in Nicor's Pipeline Public Awareness Plan 2.7 Damage Prevention Metrics.</p> <p>Nicor's response:</p> <p>Yes, Nicor collects and trends damages per thousand locate requests. See Attachment Q13 for 2017-2020 YTD Damage Ratio Trends</p> <ul style="list-style-type: none"> What stakeholder group is causing the highest number of damages to the pipelines? Operator, contractor, locating company or public. <p>Nicor's response:</p> <p>Third Party excavators installing utilities or roadwork improvements are causing the highest number of damages to the pipelines.</p> <ul style="list-style-type: none"> Is the operator appropriately focusing damage prevention education and training to stakeholders causing the most damages? <p>Nicor's response:</p> <p>Yes, Nicor focuses education on damage prevention to repeat offender excavators who damage its facilities.</p>					X	

14. Has the operator reviewed and adopted the Common Ground Alliance Best Practices document as a means of reducing damages to all underground facilities (operator should be encouraged to review document)?					X	
15. Does the operator monitor the one-call center notification practices to determine if performance is consistent with CGA best practices? Nicor's response: Yes, Nicor participates with membership on the JULIE Board of Directors. JULIE operators are put through a QA/QC system sanctioned by JULIE to ensure performance with established parameters for call handling.					X	
16. If applicable, is the operator filing complaints on excavators for violation of their One Call law? Nicor's response: Yes, Nicor filed 49 complaints on excavators during 2019.					X	